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REPORT
No. 98-116

EMERGENCY VIETNAM VETERANS' JOBS TRAINING ACT OF 1983

MAY 13, 1983.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 2355]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2355) to establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era, having considered the same, with a quorum present, report favorably thereon by unanimous voice vote with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Vietnam Veterans' Jobs Training Act of 1983".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) there is severe and continuing unemployment among veterans, and particularly among veterans of the Vietnam era and veterans with service-connected disabilities;

(2) because of the condition of the economy, many persons, including many veterans, who previously have been successfully employed are currently unemployed and in many cases have been unemployed for a period of fifteen weeks or longer;

(3) many persons, including many veterans, who have lost jobs have skills in fields in which employment is declining and therefore need to be retrained to qualify for employment opportunities in new fields of employment;

(4) there is a special national responsibility to veterans who served during a period of hostilities or who suffered service-connected diseases or disabilities; and

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(5) because of this special national responsibility and current economic conditions, it is appropriate to establish an emergency jobs program designed specifically to address the existing severe unemployment problems of such veterans in order to assist such veterans in obtaining productive and not make-work jobs.

(b) The purpose of this Act is to promote job training and employment of unemployed Vietnam-era and disabled veterans through programs under which incentives are provided to employers to hire and train such veterans and under which veterans receive jobs-skill training through vocational training in educational institutions.

(c) In order to carry out the intent of Congress under this Act, the Administrator and the Secretary of Labor shall take all steps to carry out the program provided for in this Act in a vigorous and expeditious manner to achieve the goals of this Act.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(1) The term "eligible veteran" means a veteran—

(A) who served in the active military, naval, or air service for a period of more than 180 days, any part of which was during the Vietnam era; or

(B) who is a disabled veteran in receipt of (or who but for the receipt of retirement pay would be in receipt of) compensation under chapter 11 of title 38, United States Code, for a disability incurred or aggravated after August 4, 1964.

(2) The term "Administrator" means the Administrator of Veterans' Affairs.

(3) The terms "veteran", "active military, naval, or air service", "Vietnam era", "compensation", and "State" have the meanings given such terms in section 101 of title 38, United States Code.

ESTABLISHMENT OF ON-JOB TRAINING PROGRAM

SEC. 4. The Administrator, in cooperation with the Secretary of Labor, shall carry out a program in accordance with this Act to assist eligible veterans in obtaining employment through on-job training in jobs providing significant training opportunities. The program shall be carried out through payments to employers who employ eligible veterans in jobs that involve significant training of employees in order to assist such employers in partially defraying the cost of that training.

ELIGIBILITY FOR PROGRAM

SEC. 5. (a) To be eligible for participation in a job training program under this Act, an eligible veteran must have been unemployed for not less than 15 of the last 20 weeks at the time of applying for participation in the program. To be considered unemployed for purposes of this paragraph, a veteran must be without a job and want and be available for work. The determination of whether a veteran is without a job shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

(b) An eligible veteran who wants to undertake a program of job training under this Act shall submit an application for such program to the Administrator. Any such application shall be in such form and contain such information as the Administrator may prescribe. The Administrator may not approve such an application if the Administrator finds that the veteran is already qualified for the job for which the training would be provided.

(c) The maximum period of training for which assistance may be provided on behalf of a veteran under this Act is—

(1) twelve months in the case of a veteran with a service-connected disability rated at 30 percent or more; and

(2) six months in the case of any other eligible veteran, with an additional six months of training assistance allowable in individual cases at the discretion of the Administrator.

EMPLOYER JOB TRAINING PROGRAMS

SEC. 6. (a) In order to qualify as a training program under this Act, a job training program of an employer must provide training approved under this Act for a period of not less than six months.

(b) Subject to the provisions of this Act, an eligible veteran approved for participation in a program under this Act may select an approved program of job training with any for-profit private employer which hires the veteran into the regular work

force of the employer with the expectation by the employer of permanent employment of the veteran after the training ends.

PAYMENTS TO EMPLOYERS

SEC. 7. (a) Subject to subsection (b), the Administrator shall make payments under this section to an employer of a veteran participating in an approved job training program under this Act. Such payments shall be for the purpose of defraying, in part, the costs of the veteran's training and, in the case of an employer employing a disabled veteran, of defraying the costs of making structural changes to the employer's workplace to remove architectural barriers. The amount paid to an employer on behalf of a veteran for any period may not exceed 50 percent of the amount of the wages paid to the veteran by the employer for that period, determined without regard to any increase in rate of wages above the starting rate paid the veteran by the employer.

(b) Payments shall be made at the end of each three-month period (or fraction thereof) that a veteran participates in a job training program. Payment may not be made to an employer under this Act on behalf of a veteran until the Administrator has received—

(1) from the veteran, a certification as to the veteran's actual employment and training with the employer during that period; and

(2) from the employer, a certification that the veteran was employed and progressing satisfactorily while pursuing a program of training during that period.

(c)(1) If the Administrator finds that an overpayment of assistance under this Act has been made to an employer on behalf of a veteran as a result of the willful or negligent false certification by the employer, the amount of the overpayment shall be a liability of the employer to the United States.

(2) If the Administrator finds that an overpayment of assistance under this Act has been made to an employer on behalf of a veteran as a result of the willful or negligent false certification by the veteran, the amount of the overpayment shall be a liability of the veteran to the United States.

(3) An overpayment referred to in paragraph (1) or (2) of this subsection may be recovered in the same manner as any other debt due the United States.

APPROVAL OF EMPLOYER JOB TRAINING PROGRAMS

SEC. 8. (a) An eligible employer may be paid assistance on behalf of an eligible veteran employed by such employer and participating in a job training program of that employer only if the program is approved in accordance with such procedures as the Administrator may by regulation prescribe and if the program meets the other requirements of this section.

(b) An employer offering a program of training that the employer wants to have approved for the purposes of this Act shall submit to the Administrator (or other entity designated by the Administrator) a written application for such approval. Any such application shall, in addition to furnishing such information as is required by the Administrator, contain a certification that—

(1) the wages and benefits to be paid to a veteran participating in the employer's program of training are not less than the wages and benefits normally paid employees participating in such a program of training;

(2) the amount of assistance to be paid to the employer on behalf of the veteran for any period does not exceed 50 percent of the amount of the wages to be paid to the veteran by the employer for that period, determined without regard to any increase in rate of wages above the starting rate paid the veteran by the employer; and

(3) there is a reasonable certainty that a position of the type of position for which the veteran is to be trained will be available to the veteran at the end of the training period.

(c) Before approving a program of training, the Administrator must find (upon investigation) that the following criteria are or will be met with respect to that program:

(1) The job which is the objective of the training is one in which progression and appointment to the next higher classification are based upon skills learned through organized and supervised training on the job and not on such factors as length of service and normal turnover.

(2) The training content of the program is adequate to qualify a veteran participating in the program for a job in the field for which training is to be provided.

(3) The field or job for which training is to be provided customarily requires full-time training for a period of not less than six months.

(4) The length of the training period under the proposed program is not longer than that customarily required by employers in the community to provide a person with the skills and knowledge needed in order to become competent in the field or job for which training is to be provided.

(5) There is in the training establishment or place of employment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training.

(6) Adequate records will be kept by the employer to show the progress made by each veteran participating in the program.

(7) No currently employed worker will be displaced (including a partial displacement such as a reduction in nonovertime work hours, wages, or benefits), and no laid-off worker will be prevented from recall, due to the establishment of the training program and the hiring of veterans for the program.

(8) The program of training will not be given to veterans who are already qualified by training and experience for the job for which training is to be provided.

(9) There is a reasonable certainty that a position for which a veteran is to be trained will be available to the veteran at the end of the training period.

(10) The training program of the veteran will be stated in a written agreement signed by the employer and the veteran, and a copy of the signed training agreement will be provided to the veteran and the Administrator.

(11) The program meets such other criteria as may be established by the Administrator.

(d) A program of job training under this Act may be an apprenticeship program.

NONQUALIFYING TYPES OF PROGRAMS

SEC. 9. The Administrator may not approve the enrollment of a veteran in a program of training—

(1) for employment which consists of seasonal, intermittent, or temporary jobs, except that the Administrator may approve enrollment in a program for employment on a seasonal basis if the Administrator determines such enrollment to be appropriate;

(2) for employment in an industry in which a substantial number of experienced workers are unemployed;

(3) for employment under which commissions are the primary source of income;

(4) for employment which involves political or religious activities; or

(5) if the training program will not be carried out in a State.

DISCONTINUANCE OF PAYMENTS FOR UNSATISFACTORY CONDUCT OR PROGRESS

SEC. 10. (a) The Administrator may not make a payment on behalf of a veteran under this Act if the Administrator finds that, according to standards that the Administrator may prescribe or the regularly prescribed standards of the employer, the conduct or progress of the veteran is unsatisfactory due to circumstances within the control of the employer. Unless the Administrator finds there are mitigating circumstances, progress may not be considered unsatisfactory if the veteran is progressing at a rate that will permit the veteran to complete the training program within the training period.

(b) The Administrator may renew the payment of assistance suspended under subsection (a) only if the Administrator finds that the cause of the failure to complete training has been removed.

DISAPPROVAL OF EMPLOYER JOB-TRAINING PROGRAMS

SEC. 11. If the Administrator finds at any time that a program of training previously approved by the Administration for the purposes of this Act thereafter fails to meet any of the requirements of this Act, the Administrator shall immediately disapprove further participation by eligible veterans under that program. An eligible employer which has its program disapproved under this section shall be notified of such disapproval by a certified or registered letter, and a return receipt shall be secured.

INSPECTION OF RECORDS

SEC. 12. The records and accounts of employers pertaining to veterans who have received job training assistance under this Act, as well as other records which the Administrator determines necessary to ascertain compliance with the requirements of this Act, shall be available at a reasonable time for examination by authorized representatives of the Government.

JOBS-SKILLS TRAINING THROUGH VOCATIONAL TRAINING

SEC. 13. (a) A veteran who is eligible for a program of job training under section 5 of this Act may, in lieu of pursuing a program of training with an employer, pursue through an educational institution a full-time program of training with a vocational objective or full-time associate degree program with a vocational objective which has been approved under chapter 34 or 36 of title 38, United States Code, or through pursuit of an associate degree program with a vocational objective. Any such training program must be of at least six months duration and must be in an employment field for which the Administrator finds (1) that there is a reasonable probability that upon completion of training over 50 percent of the persons trained will be able to find jobs in the skill in which trained, and (2) that there is a substantial probability of long-term employment.

(b) The period of such training may not exceed that prescribed in section 5(c) of this Act. Payment for such training shall be made monthly to the veteran to reimburse the veteran for the cost of the tuition, fees, books, supplies, and equipment which the educational institution requires similarly circumstanced nonveterans enrolled in the same program to pay and may not exceed $500 a month.

(c) An educational assistance payment may not be made to an eligible veteran enrolled in a program of training under this section until the Administrator has received—

(1) from the veteran a certification as to the veteran's actual attendance during the month for which payment is to be made; and

(2) from the educational institution a monthly certification or an endorsement on the veteran's certificate that the veteran was enrolled in, was actually attending, and was satisfactorily progressing in the approved training program.

(d) If the Administrator finds that an overpayment has been made to a veteran receiving benefits under this program, based upon an erroneous certification made under section (c), the veteran and the educational institution shall be liable to the Veterans' Administration in the same manner as provided under subsections (a) and (b) of section 1785 of title 38, United States Code, and the overpayment may be recovered in the same manner as any other debt due the United States.

(e) Benefits may not be paid under this section—

(1) for pursuit of a program of flight or correspondence training;

(2) for training barred under clause (3), (4), or (5) of section 9; or

(3) when the Administrator determines, pursuant to regulations which the Administrator shall prescribe, that the veteran is not making satisfactory progress in the veteran's program, unless the Administrator finds there are mitigating circumstances.

(f) No more than $25,000,000 may be obligated under this section in any fiscal year.

COORDINATION WITH GI BILL

SEC. 14. A veteran may not receive benefits under this Act and under chapters 31, 32, 34, or 35 of title 38, United States Code, or chapter 107 of title 10, United States Code, for the same period.

INFORMATION AND OUTREACH

SEC. 15. (a) The Administrator (in consultation and cooperation with the Secretary of Labor) shall provide for an outreach and public information program—

(1) to inform eligible veterans about the employment, job training, and vocational training opportunities under this Act, under title 38, United States Code, and under other provisions of law; and

(2) to inform employers (including Federal contractors and subcontractors, Federal agencies, labor unions, and educational institutions) of their responsibilities and opportunities with respect to such veterans.

(b)(1) The Administrator (after consultation with the Secretary of Labor) shall establish procedures to inform employers of the advantages of developing job training opportunities for veterans under this Act.

(2) The Administrator shall also assign personnel in regional offices of the Veterans' Administration as necessary to facilitate the development, approval, and monitoring of programs under this Act.

(c)(1) The Secretary of Labor shall take steps to provide for the participation of eligible veterans in training programs under this Act and under title III of the Job Training Partnership Act (Public Law 97-300). In carrying out this responsibility, the Secretary of Labor shall consult with and solicit the cooperation of the Administrator.

(2) The Secretary of Labor shall make special efforts to inform eligible veterans of the job training and vocational training opportunities available under this Act and to coordinate such opportunities with those job training and vocational training opportunities authorized under chapters 41 and 42 of title 38, United States Code, and other similar job training and vocational training opportunities offered by other public agencies and organizations.

(3) The Secretary of Labor, acting through disabled veterans outreach program specialists employed under section 2003A of title 38, United States Code, and through other resources available to the Secretary, shall carry out an intensive outreach program to inform employers of the opportunities and advantages available to them through participation in on-job training programs for veterans under this Act.

(4) In carrying out this subsection, the Secretary of Labor shall maintain close contact with Veterans' Administration regional offices. When job-training opportunities for veterans are developed as a result of the efforts of disabled veterans outreach program specialists, or when the Secretary otherwise becomes aware of such opportunities, the Secretary shall promptly provide information concerning such opportunities to the appropriate Veterans' Administration regional office in order to broaden the number of eligible veterans who may become aware of and apply for such opportunities.

COUNSELING

SEC. 16. The Administrator and the Secretary of Labor shall, upon request, provide employment counseling services to any eligible veteran in order to assist such veteran in selecting a suitable program of job training or vocational training under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. There is authorized to be appropriated to the Veterans' Administration to carry out this Act $25,000,000 for fiscal year 1983 and $150,000,000 for each of fiscal years 1984 and 1985.

TERMINATION OF PROGRAM

SEC. 18. A veteran may not apply for a program of job training or vocational training under this Act after the end of the 15-month period beginning on the effective date of this Act. Assistance may not be paid to an employer under this Act for any period after the end of the 27-month period beginning on the effective date of this Act.

EFFECTIVE DATE

SEC. 19. This Act shall take effect on July 1, 1983.

INTRODUCTION

Since the beginning of the recession, unemployment rates for Vietnam era veterans, which have been chronically high over the last decade, have soared and been significantly higher than for those in the same age group who did not serve in the military. In the 97th Congress, legislation was enacted which strengthened veterans employment programs in the Department of Labor. As provided in Public Law 97-306, the Assistant Secretary of Labor for Veterans Employment (ASVE) is responsible for administering the veterans employment activities authorized in chapters 41, 42, and 43 of title 38, United States Code. This is done through the Veterans Employment Service in the Department of Labor. The veterans

employment program in the Department of Labor is operated indirectly through State and local job service agencies. In carrying out his responsibilities, the ASVE assigns each State a representative of the Veterans Employment Service to serve as the State Director for Veterans Employment, and a number of Assistant State Directors, the equivalent of 1 per 250,000 veterans and dependents. A basic responsibility of the State Directors for Veterans Employment is to encourage employers and labor unions to employ veterans and to conduct on-the-job training and other programs for veterans and eligible spouses. It is expected that the responsibilities of the ASVE listed in section 2003(c) of title 38, United States Code, regarding on-job and apprenticeship training, will be a major source of assistance to the Veterans' Administration in its implementation of the provisions of the reported bill.

Oversight hearing

On February 23, 1983, Hon. Marvin Leath, chairman of the Subcommittee on Education, Training, and Employment, held a subcommittee oversight hearing to review the on-the-job and apprenticeship training programs for veterans. The subcommittee sought to explore all avenues of employment and training assistance, especially the on-the-job training and apprenticeship programs in the Veterans' Administration. Testimony was presented by Hon. Harry Walters, Administrator of the Veterans' Administration; Hon. William C. Plowden, Assistant Secretary of Labor for Veterans Employment; and representatives of the Disabled American Veterans, the Veterans of Foreign Wars, and the Vietnam Veterans of America. All witnesses agreed that further legislative action was necessary to assist unemployed Vietnam era veterans and disabled veterans to obtain gainful employment.

Legislative hearing

Subsequently, on March 24, 1983, Mr. Leath, joined by Mr. Solomon, Mr. Montgomery, Mr. Hammerschmidt, Mr. Edgar, Mr. Evans of Illinois, Ms. Kaptur, Mr. Slattery, Mr. Richardson, and Mr. Hefner introduced H.R. 2355, the Emergency Vietnam Veterans' Jobs Training Act of 1983, a bill to establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era. The bill was reviewed at a subcommittee hearing on April 19, 1983. Witnesses again included representatives of the Veterans' Administration, the Department of Labor and veterans organizations.

The subcommittee met on May 4, 1983, and recommended to the full committee by unanimous voice vote H.R. 2355, as amended.

The full committee met on May 10, 1983, and, by unanimous voice vote, ordered H.R. 2355 reported to the House.

SUMMARY OF MAJOR FEATURES OF EMERGENCY VIETNAM VETERANS' JOB TRAINING ACT OF 1983

I. Eligibility

A. Vietnam era or disabled veteran whose disability was incurred or aggravated after August 4, 1964.

B. Must have been unemployed for 15 of the last 20 weeks.

C. Discharge other than dishonorable.

II. Authorizes on-the-job training

A. Jobs providing significant training opportunities.
B. Payments made to employers to partially defray the cost of training.
C. Amount paid to employers limited to 50 percent of the starting wages.
D. Payments made on behalf of disabled veterans for up to 12 months—nondisabled veterans for 6 months.
E. Training programs must last at least 6 months.

III. Authorizes vocational training

A. Must be full-time program of training with a vocational objective through an educational institution or pursuit of an associate degree program with a vocational objective.
B. Training program must last at least 6 months, and be in a field in which there is a substantial probability of long-term employment.
C. Veteran may be reimbursed up to $500 a month to cover cost of tuition, fees, books, supplies, and equipment.
D. Disabled veterans reimbursed for 12 months, nondisabled for 6 months.

IV. Program effective July 1, 1983

$325 million authorized.
$25 million in fiscal year 1983; $150 million for fiscal years 1984 and 1985.

V. Veterans may enroll in this program until October 1, 1984.

VI. Program ends October 1, 1985.

BACKGROUND

Veteran unemployment at new high

The Emergency Vietnam Veterans' Jobs Training Act of 1983 would establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era. Unemployment among veterans has long been a major concern of this committee and the Congress. Many legislative initiatives have been enacted to assist veterans in their efforts to obtain substantial training that will lead to meaningful, long-term employment. The current recession, however, which began in July 1981, has contributed to the high rate of cyclical unemployment. Many veterans who have been laid off during this period will get their jobs back when the economy starts upward again. A good example of this is the housing industry which is on the upturn.

There have also been fundamental structural changes in the U.S. economy which have been a root cause of much of the anguish and despair that long-term unemployed veterans have been, and are continuing to experience. These changes in our economic system are lasting changes that have rendered many skills obsolete. Many unemployed veterans have already trained under the G.I. bill, but unforeseen structural unemployment requires that Congress take a

long hard look at this recent development and provide some assistance for these veterans who have become the victims of economic changes.

Lastly, we must not forget that problems related to military service have also contributed to the highest veteran unemployment rate since the beginning of the Vietnam war.

In March of 1983, more than 835,000 veterans of the Vietnam era were looking for work. Although the unemployment rate for Vietnam veterans in all age groups was significantly higher than that of their nonveteran peers, the hardest hit was the age group 25–29; 19.8 percent of these veterans were unemployed as compared to 13.9 percent of those in the same age group who did not serve in the Armed Forces.

The purpose of H.R. 2355 is, through on-job training, to assist long-term unemployed veterans by providing incentives to employers to hire and train veterans in fields of employment in which there is a substantial probability of long-term employment. Vocational training, through an educational institution, is another option provided in this legislation to enable unemployed veterans to develop job skills.

On-job training and vocational training

On-the-job training can be a very successful employment and training tool for veterans because, in many occupations, trainees learn best by training in the actual work situation and utilizing the employers' procedures and equipment. The following features make on-job training attractive to both employers and veteran trainees:

(1) Veterans start work immediately. The concept is to hire first and train subsequently. The veteran is paid the usual wage paid all employees doing the same work.

(2) Veterans are not trained for the uncertainty of a future job that may or may not exist, since they already have one.

(3) The training is practical and comprehensive. The training exposes the veteran trainee to an actual work environment, pressures, interpersonal relationships with fellow workers, and the ritual of company procedures.

(4) Trainee performance can be evaluated on the job and is not based upon a theoretical or hypothetical norm.

(5) The veteran trainee is trained according to employer needs and desires and, therefore, becomes more valuable as training progresses.

(6) The veteran trainee immediately joins the work force, and the contribution of the veteran can be measured by his performance and improvement.

On-job and apprenticeship training under GI bill

Public Law 90–77, the Veterans' Pension and Readjustment Assistance Act of 1967, was enacted on March 3, 1967. Title III of this act amended the Vietnam era GI bill to include apprenticeship or other on-job training. Although these programs had been available under the World War II and Korean GI bills, they were not included in Public Law 89–358, the Veterans' Readjustment Benefits Act

of 1966. The following table shows the number of veterans utilizing on-job training under chapter 34 of title 38 between 1968 and 1982.

Veterans utilizing on-job training under chapter 34, title 38, United States Code

[In thousands]

1968–1982:	
1968	19
1969	66
1970	117
1971	146
1972	162
1973	189
1974	212
1975	192
1976	146
Transition quarter	73
1977	112
1978	94
1979	84
1980	74
1981	55
1982	38

As can be seen from these figures, on-job-training usage peaked in 1974 and declined steadily after that time. Approximately 7.9 million veterans and servicepersons have trained since the beginning of the current GI bill program. Of this number, 588,000, or 7.6 percent, have pursued on-the-job training and apprenticeship programs. This program has been highly successful in terms of quality of training and the completion rate of veterans enrolled in such training. According to information supplied by the Veterans' Administration, 89 percent of veterans who completed apprenticeship training and 86 percent of those completing other on-the-job training were placed in jobs related to their training.

There appear to be many factors that account for the low participation rates in on-the-job training. In testimony before the Subcommittee on Education, Training and Employment on February 23, 1983, the Administrator of Veterans' Affairs, Mr. Harry Walters, stated that a significant factor is, ". . . the importance that society places on the college degree. . . . Another factor has been the disproportion that exists regarding the assistance rates for job trainees compared with school trainees." Other witnesses before the subcommittee suggested that the VA had not been aggressive enough in publicizing this important and beneficial program. The absence of any employer incentive in the on-the-job training program was also mentioned as an explanation for the low participation rates.

It is clear to the committee that the VA OJT program has not been fully utilized as a job training program, and that any legislation modeled on that VA program would need to be modified in order to make a similar program more attractive to both veterans and employers if this program is to attract more veteran participants.

Department of Labor's help through industry retraining program and the Job Training Partnership Act

The HIRE I and HIRE II programs are bad memories in the minds of most Vietnam era veterans. In relation to the number of

veterans trained, these programs rank among the most expensive training programs ever devised for veterans. Many problems plagued these efforts to assist unemployed veterans. For example, these programs were aimed at big business, ignoring the fact that most new jobs are created in the small business community. The lack of program accountability was also a major problem. The programs were interpreted and administered at the whim of local communities, allowing no overall coordination and causing delays in implementation. Ultimately, $30 million of unused funds were returned to the Treasury.

Public Law 97-300, the Job Training Partnership Act, title IV, part C, authorizes the Secretary of Labor through the Assistant Secretary for Veterans Employment, to conduct programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans recently separated from military service. This establishment of a separate program for veterans is important but, because of the low funding level of $9.4 million for fiscal year 1984, will have only a limited impact on veteran employment. The inadequacy of this program and the failure of earlier programs necessitates the establishment of the programs created by the reported bill.

Discussion of the Reported Bill

Short title

Section 1 provides that the act may be cited as the "Emergency Vietnam Veterans' Jobs Training Act of 1983". As is indicated by the title, the committee views H.R. 2355 as an emergency measure, designed to deal with a severe, acute problem quickly and efficiently. Reducing the high rate of unemployment among veterans is a major priority of this committee and the veteran community.

Purpose of the bill

Section 2 of H.R. 2355 sets forth the findings leading up to the legislation and the purpose of the program created by this act.

The Committee on Veterans' Affairs and the Congress have long been concerned about the employment difficulties experienced by veterans of the Vietnam era and disabled veterans. The severe recession and fundamental structural changes in the American economy have exacerbated pre-existing employment problems and have contributed to the highest unemployment rate ever recorded for these groups. Throughout calendar year 1983, veterans of the Vietnam era have experienced unemployment levels surpassing those of their nonveteran peers in all age groups. Many of the veterans who are now unemployed are victims of the "last hired, first fired" practice. While these veterans were serving their country during the Vietnam conflict, their nonveteran peers were pursuing their education and careers, giving them a 2 to 4 year headstart on returning veterans. As the recession deepened and employers found it necessary to lay off workers, veterans who did not have the seniority of nonveterans were the first to go.

This committee believes that this Nation owes a special debt to those individuals who served in the Armed Forces during our country's longest and most divisive foreign war and to those who have

been disabled during their military service. Last year, in Public Law 97-306, the Congress clearly acknowledged that as long as underemployment and unemployment continue as serious problems among veterans, alleviating those problems is a national responsibility. Actions taken by this committee during the 97th Congress went a long way toward strengthening education programs and providing an improved and more effective program of job training and job placement for unemployed and underemployed veterans. The economic realities, however, dictate that we must do even more—and soon—to insure that the veterans of this country do not join the ranks of the permanently dependent.

As stated in this section, the purpose of the program created by H.R. 2355 is to provide incentives to employers to hire and train veterans under a program in which veterans will be hired and trained for positions that involve significant training or retraining, and the costs of the training will be partially defrayed by the U.S. Government. The issue of reimbursing an employer for the training costs of veterans is one that has been debated for many years in the veteran community. Traditionally, veterans training assistance has been paid to the veteran under VA programs. Veterans organizations testifying before the Subcommittee on Education, Training and Employment on April 19, 1983, however, were unanimous in their view that employer reimbursement for training costs would stimulate the creation of jobs for veterans. The committee concurs with this and believes that reimbursement under OJT will motivate employers to hire veterans they might not otherwise consider, thereby insuring that veterans are competitive in a very tight job market. In a landmark study of the job creative process, David Birch of MIT found that two-thirds of the net new jobs were created by firms with 20 or fewer employees. Because of the recent economic downturn, many small businesses have been unable to hire and train new employees. The training assistance provided under H.R. 2355 will enable some of these businesses to expand, thus furthering the economic recovery.

Section 2 also makes clear the intent of Congress that the Administrator of Veterans' Affairs and the Secretary of Labor shall vigorously pursue the implementation of the programs created by this act. Too many programs designed to assist disabled and Vietnam era veterans have failed because of inertia and lukewarm enthusiasm in the administering agency. It is the view of the committee that we must not disappoint Vietnam and disabled veterans again. The combined efforts of the Veterans' Administration and the Department of Labor will be necessary to achieve the goals of this legislation.

Definitions

The bill defines eligible veterans to those who served during the Vietnam era which was the period beginning after August 4, 1964, and ending on May 7, 1975. Those disabled after August 4, 1964, qualify as disabled veterans and are entitled to greater assistance if they have a service-connected disability for which they are compensated by the Veterans' Administration.

Establishment of the programs

The Administrator, with the cooperation of the Secretary of Labor, shall establish a program of on-job training and vocational training at an educational institution in accordance with this act. The success of this program depends largely on the effective implementation by the Veterans' Administration and the Department of Labor. As designed by the committee, the program will be a joint effort requiring the full cooperation of both agencies, each agency contributing its particular experience and expertise.

Eligibility for program

The focus of the reported bill is on the veteran who has been unemployed for not less than 15 of the last 20 weeks at the time the veteran applies for participation in the program. According to the Bureau of Labor Statistics, in February 1983, over 217,000 Vietnam veterans between the ages of 25 and 34 had been unemployed for this extended length of time.

When the veteran's application for training is approved by the Administrator, assistance will be provided on behalf of the veteran for 6 months. In the case of a veteran rated 30 percent or more disabled, up to 12 months of assistance will be provided. The act gives the Administrator the authority to grant an additional 6 months of training in certain individual cases. It is the intent of the committee that this authority be exercised whenever a veteran can demonstrate that this additional training time is important to the successful mastery of job skills he is pursuing.

Employer job training programs

Training approved under the reported bill must be for a period of not less than 6 months. It is the committee's view that most training programs that teach skills leading to productive careers will require at least 6 months training time. Although the Federal Government will only reimburse training costs for 6–12 months, it is the assumption of the committee that many training courses will last for 2 years or longer. It is not the intent of the committee to follow in the steps of earlier programs that allowed make-work, stop-gap employment that did not address the long-term employment needs of the veteran.

The reported bill restricts on-job training to that provided by a for-profit private employer who hires the veteran into the regular work force with the expectation of permanent employment of the veteran after the training ends. It is expected that this legislation will have the effect of stimulating local economies by allowing expansion that employers could not otherwise afford. The reported bill is intended to help veterans obtain job training as corporations increase their capital investment programs to take advantage of the new technology and in order to remain competitive. In its way, the reported bill is a limited economic recovery act for veterans. It is also expected that employers will maintain these veterans as full-time permanent employees. It was suggested that an employer be required to retain a veteran in his employ following the completion of training, perhaps 1 month for every month of subsidized training. It was pointed out in testimony before the subcommittee,

however, that such a requirement would be very cumbersome and discouraging to employers. The committee concurred with this assessment.

Payments to employers

Payments will be made to an employer by the Administrator to partly defray the costs of the veteran's training. These payments, which may not exceed 50 percent of the veteran's starting wages, will be made at the end of each 3-month period, after the veteran and the employer certify to the Administrator that the employment and training were actually completed. According to the Department of Labor, the average payment for a 6-month period is estimated to be $3,000. In establishing the 3-month payment period, the committee is attempting to design a payment plan which is reasonable from the point of view of the employer, but is also efficient administratively. Keeping in mind that many of the employers participating in this program will be small businesses, depending on the training subsidies to enable them to hire the veteran, payments made every 3 months will provide a timely cash flow. This timeframe is not so frequent that it will be a discouraging inconvenience to the employer, but is frequent enough to prevent the buildup of large overpayments in the event either the veteran or employer are deemed unsatisfactory and/or withdraw from the program.

In the case of a disabled veteran, the employer may use a portion of the training subsidy to defray the costs of making structural alterations in the workplace to accommodate the veteran not to exceed one-half the training costs. The September 1982 publication of the Bureau of National Affairs indicates that structural changes are generally very inexpensive. In fact, 50 percent of the alterations require no cost and 30 percent involve $1 to $500 per person. Only 8 percent of the usual necessary modifications cost more than $2,000 per individual. The costly changes would generally be those necessary to accommodate the more severely disabled veterans such as veterans confined to wheelchairs or blinded. The committee feels this is an important option which will encourage employers to hire disabled veterans that they might not otherwise have been able to hire.

Approval of employer job training programs

The Veterans' Administration is responsible for the final approval of employer job training programs in the reported bill. Since 1944, the Veterans' Administration has administered on-job training programs for veterans of World War II, the Korean conflict, and the Vietnam era. Major and persistent problems in the administering of a training program are waste, fraud, and abuse. Through the years, the Veterans' Administration, with the State Approving Agencies, has gained invaluable experience in handling programs of the kind authorized by the reported bill, and have in place a nucleus of professional people who are cognizant and sensitive to the many problems of administering a training program for veterans. The Veterans' Administration knows the problems of the past and is in an excellent position to assure that the program will be administered with a minimum of abuses. This long experience

with on-job training makes the VA the logical agency to have this responsibility. Because the VA is funding this program, the ultimate decision as to whether or not an employer qualifies for this program should be theirs. The committee urges the VA to make maximum use of the experience and expertise of the State Approving Agencies in the approval of the programs authorized by the reported bill.

It is contemplated that approvals of programs of on-job training may be retrodated up to 60 days or longer if the Administrator determines that the circumstances warrant. The committee also intends that the approval process be kept as simple as possible. Too often unnecessarily complicated paperwork discourages those in the private sector from participating in Federal programs. The committee feels that it is important that the integrity of the program be maintained but in such a way that employers will not be discouraged from hiring veterans under this program. It is further the intent of the committee that reporting requirements be kept to a minimum, consistent with sound fiscal and programmatic management.

Two certification items of particular importance are: (1) That there be a reasonable certainty that permanent employment will be available to the veteran at the end of the training period, and (2) that no currently employed worker will be displaced and no laid-off worker will be prevented from recall due to the establishment of the training program and the hiring of veterans for the program.

As was stated earlier in this report—and the committee feels this cannot be stressed too much—solid, productive, long-term employment for veterans is the goal of this legislation. It is the expectation of the committee that only those training programs that fulfill this goal will be approved.

It is intended that job training funded under this act will not be secondary labor market jobs, but will be jobs which have long-term career potential. The attached tables, provided to the committee by the Bureau of Labor Statistics, indicate anticipated career trends in the 1980's.

FASTEST GROWING OCCUPATIONS THAT GENERALLY REQUIRE POSTSECONDARY EDUCATION AND TRAINING (BUT LESS THAN A BACHELOR'S DEGREE)

Occupation	Percent change in employment, 1980–90	Employment, 1980 (in thousands)
Paralegal personnel	109–139	32
Data processing machine mechanics	93–112	83
Computer operators	72–83	185
Office machine and cash register servicers	60–73	55
Tax preparers	49–70	31
Employment interviewers	47–64	58
Peripheral EDP equipment operators	44–52	49
Travel agents and accommodations appraisers	43–52	52
Claims agents	43–46	40
Brickmasons	40–51	146
Nurses, professional	40–47	1,104
Surgical technicians	39–45	32
Dental hygienists	39–42	61

FASTEST GROWING OCCUPATIONS THAT GENERALLY REQUIRE POSTSECONDARY EDUCATION AND TRAINING (BUT LESS THAN A BACHELOR'S DEGREE)—Continued

Occupation	Percent change in employment, 1980–90	Employment, 1980 (in thousands)
Health records technologists	38–44	32
Concrete and terrazzo finishers	37–47	113

Source: Bureau of Labor Statistics.

THE FOLLOWING OCCUPATIONS WILL ACCOUNT FOR 50 PERCENT OF ALL NEW JOBS GENERATED DURING THE 1980'S

Occupation	Growth in employment,[1] 1980–90 (in thousands)
Secretaries	700
Nurses' aides and orderlies	508
Janitors and sextons	501
Sales clerks	479
Cashiers	452
Nurses, professional	437
Truck drivers	415
Food service workers, fast food restaurants	400
General clerks, office	377
Waiters and waitresses	360
Elementary school teachers	251
Kitchen helpers	231
Accountants and auditors	221
Helpers, trades	212
Automotive mechanics	206
Blue-collar worker supervisors	206
Typists	187
Licensed practical nurses	185
Carpenters	173
Bookkeepers, hand	167
Guards and doorkeepers	153
Stock clerks, stockroom and warehouse	142
Computer systems analysts	139
Store managers	139
Physicians, medical and osteopathic	135
Maintenance repairers, general utility	134
Computer operators	132
Child care workers, except private household	125
Welders and flamecutters	123
Stock clerks, sales floor	120
Electrical engineers	115
Computer programers	112
Electricians	109
Bank tellers	108
Electrical and electronic technicians	107
Lawyers	107
Sales agents and representatives, real estate	102

[1] Low alternative only.

Source: Bureau of Labor Statistics.

OCCUPATIONS THAT ARE PROJECTED TO DECLINE DURING THE 1980'S

Occupation	Percent change in employment, 1980–90	Employment, 1980 (in thousands)
Farm laborers	−20	1,175
Graduate assistants	−18	132
Farmers	−17	1,447
Shoemaking machine operators	−17	65
Secondary school teachers	−14	1,237
College and university teachers	−12	457
Compositors and typesetters	−10	128
Maids and servants, private household	−6	478
Central office repairers	−6	51
Ticket agents	−4	53
Taxi drivers	−3	71
Clergy	−3	296
Postal clerks	−2	316

Source: Bureau of Labor Statistics.

The practice of substituting a veteran in an on-job training program for a current employee has been a problem in other job training and employment programs involving employer assistance. The reported bill avoids this practice by specifically stating that no employee training program will be approved that results in the displacement of a currently employed individual.

Jobs-skills training through vocational training at educational institutions

The Emergency Vietnam Veterans' Jobs Training Act of 1983 provides, in addition to on-job training, the option of a program of training with a vocational objective through an educational institution. An eligible veteran may also choose to pursue an associate degree program with a vocational objective at a degree-granting educational institution. The veteran will be paid up to $500 a month reimbursement for the cost of tuition, fees, books, supplies, and equipment. No subsistence or living allowance for the veteran is authorized. Certification must be made to the Administrator monthly, by both the veteran and the educational institution, that the veteran was in attendance and progressing satisfactorily.

Although this training option does not assure the veteran immediate employment, it is the view of the committee that the opportunity to train in an employment field in which there is a substantial probability of long-term employment will be very valuable to veterans in need of training. Again, the committee stresses the importance of the approval by the Veterans' Administration of the pursuit of training in fields that are relatively stable or have growth potential.

Information and outreach

It is most important that the Veterans' Administration and the Department of Labor, through the office of the Assistant Secretary of Labor for Veterans Employment, make every effort to inform veterans, employers, and educational institutions of opportunities available under the Emergency Vietnam Veterans' Jobs Training Act of 1983.

According to the Veterans' Administration, 99,000 employers have been approved for on-job training under the Vietnam era GI bill. Of these, approximately 8,300 are active. This is a sizable reservoir of employers who have already indicated an interest in hiring veterans and, to the degree possible should be contacted and informed of the new programs established by the reported bill. The Administrator is specifically directed in the bill to assign VA regional office personnel the responsibility of facilitating the development, approval, and monitoring of programs under this act. Because training and employment needs and opportunities will vary from locality to locality, it is important that personnel at the Veterans' Administration regional office level, who are familiar with the local communities, participate fully in the implementation of this legislation.

The disabled veterans outreach program (DVOP) should be fully utilized in the outreach aspect of these new programs. This system of 2,026 personnel, made permanent under Public Law 96-466, has already proved its worth as a valuable tool in the job placement of disabled and Vietnam era veterans. This program has also been a fine example of improved service and assistance that can be extended to veterans when the Veterans' Administration and the Department of Labor, through the ASVE, cooperate and link their resources. There are currently 120 DVOPs outstationed in 75 Vet Centers, an arrangement provided for in Public Law 97-306. This has generally been a successful merging of personnel of the two agencies. In many Vet Centers, the VA personnel, whose primary mission and expertise is psychological readjustment counseling, have welcomed the assistance of the DVOP employment specialists because at least 30 percent of their veteran clients have indicated that employment is their major difficulty. It is the view of this committee that DVOPs, particularly in terms of employer outreach and job development, will play a crucial role in rapid implementation of the on-job training program. It will be necessary, however, for the DVOPs to make direct contact with employers and seek out those who are not already listed with the Job Service. Over 90 percent of all available job openings are never listed with the Job Service and frequently these are the higher-paying, long-term positions that the committee wants veterans to fill.

Counseling

Under this act, the Administrator and the Secretary of Labor shall provide employment counseling services when requested by interested veterans. The committee expects that the following types of services will be included under the rubric of "employment counseling" for any veteran requesting assistance in this area:

(1) Comprehensive evaluation and assessment to identify suitable job fields for training or retraining.

(2) Identifying available job training opportunities and engaging in job development activities as necessary.

(3) Assistance in identifying additional training which may be needed to successfully pursue an employment goal.

(4) Identifying job modifications which may be needed.

(5) Identifying supportive services such as medical care or counseling to cope with problems in job adjustment which may arise.

(6) Assisting a veteran found ineligible for participation in available VA programs to develop alternative plans and effect appropriate referral to other resources. The referral process includes assuring that the veteran receives the special consideration or preference for veterans in the programs to which referral is made.

Providing the types of assistance described in the above items requires utilization of and coordination between agencies and organizations providing job development, employment services, and supportive services.

This includes:

(A) Coordination with DVOPs in developing and carrying out the veteran's employment plan.

(B) Coordination with other staff in State employment security agencies, especially LVER (local veterans employment representatives) to secure special consideration for veterans under programs administered by the Department of Labor.

(C) Cooperation with the Office of Personnel Management in utilization of special provisions of law affecting veterans such as appointment of qualified veterans with a service-connected disability of 30 percent or more, use of veterans readjustment appointments.

Termination of the program

This legislation is an emergency bill, designed to address an emergency situation. As such, veterans may enroll in the program until October 1, 1984, and the program will terminate on October 1, 1985. It is not the intent of the committee that the programs established under this act be permanent programs; however, if severe unemployment persists among disabled and Vietnam era veterans, the committee will review these programs to determine if an extension may be necessary or useful.

Section-by-Section Analysis of the Reported Bill

Section 1—This section of the bill provides that the act may be cited as the "Emergency Vietnam Veterans' Job Training Act of 1983."

Section 2—Subsection (a) of this section sets forth the findings of the Congress. These include findings that: (1) There is severe and continuing unemployment among veterans, particularly Vietnam era and disabled veterans; (2) many veterans who have previously been successfully employed are currently unemployed and, in many cases, have been unemployed for a period of 15 weeks or longer; (3) many of these individuals need retraining in new fields of employment; (4) there is a national responsibility to veterans who have served during a period of hostilities or who have suffered service-connected disabilities; and (5) it is appropriate, for these reasons, to establish an emergency jobs program designed to address these problems and to assist veterans in obtaining productive, but not make-work jobs.

Subsection (b) sets the purpose of the program as promoting job training and employment of unemployed Vietnam era and disabled veterans by providing incentives to employers to hire veterans for positions involving significant training or retraining with the costs of such training partially defrayed by the United States.

Subsection (c) calls on the Administrator of Veterans' Affairs and the Secretary of Labor to take all steps needed to carry out this new program in a vigorous and expeditious manner.

Section 3—This section defines various terms including "eligible veteran," "Administrator," "veteran," "active military, naval or air service," "Vietnam era," "compensation," and "State."

Section 4—This section directs the Administrator to carry out a program to assist eligible veterans in obtaining employment through on-job training in jobs providing significant training opportunities to be carried out through payments to employers who employ eligible veterans.

Section 5—Subsection (a) provides that to be considered for participation, an eligible veteran must have been unemployed for not less than 15 of the 20 weeks prior to the time of applying for participation. To be considered unemployed, a veteran must be without a job and want and be available for work. A determination whether a veteran is without a job is to be made in accordance with criteria used by the Bureau of Labor Statistics.

Subsection (b) requires an eligible veteran who desires to participate in the program to submit an application to the Administrator. The application is to be in such form and contain such information as the Administrator shall prescribe. The Administrator would be barred from approving an application if the veteran is already qualified for the job for which the training would be provided.

Subsection (c) sets the maximum period of training at 12 months for a veteran disabled at 30 percent or more and at 6 months for any other eligible veteran unless the Administrator determines in individual cases that an additional 6 months of training is needed.

Section 6—Subsection (a) provides that in order to qualify as a training program, an employer's program must provide training for a period of not less than 6 months.

Subsection (b) provides that an eligible veteran, approved for participation, may select an approved job training program with any for-profit private employer who will hire the veteran into the regular work force with the expectation by the employer of permanent employment of the veteran after the training ends.

Section 7—Subsection (a) provides that the Administrator shall make payments to an employer utilizing a veteran in an approved job training program. The payments are for defraying, in part, the costs of the veteran's training and, where a disabled veteran is employed, of defraying costs of making structural changes to the work site. Payments to an employer may not exceed 50 percent of the wages paid for the period, determined without regard to any increase above the starting wage paid the veteran.

Subsection (b) provides that payments are to be made at the end of each 3-month period that a veteran participates in a program. Payments, however, may not be made to an employer until (1) the veteran provides a certification to the Administrator showing the veteran's actual employment and training; and (2) the employer

provides a certification to the Administrator showing that the veteran was employed and progressing satisfactorily during the training period.

Subsection (c) provides that an overpayment of assistance under this act made to an employer as a result of the willful or negligent false certification by the employer or the veteran shall be a liability to the responsible party and shall be recovered in the same manner as any other debt due the United States.

Section 8—Subsection (a) provides that an eligible employer may be paid assistance only if the program offered is approved according to regulations prescribed by the Administrator and provided the program meets other specific requirements.

Subsection (b) provides that an employer offering a program of training must submit a written application to the Administrator which, in addition to information required by the Administrator, contains the following certifications: (1) The wages and benefits paid the veteran are not less than the wages and benefits normally paid other employees participating in such a program; (2) the amount of assistance to be paid does not exceed 50 percent of the wages to be paid the veteran without regard to any increase above the starting rate; and (3) there is a reasonable certainty a position of the type for which the veteran is to be trained will be available at the end of the training period.

Subsection (c) provides that before approving a training program, the Administrator must find that: (1) The job which is the objective of the training is one in which progression and appointment to the next higher classification is based on skills learned through organized and supervised training on the job and not such factors as length of service and normal turnover; (2) the training content of the program is adequate to qualify the veteran for a job in the field for which training is provided; (3) the field or job for which training is provided customarily requires full-time training for a period of not less than 6 months; (4) the length of the training period is not longer than customarily required; (5) there is adequate space, equipment, instructional material, and instructor personnel at the site to provide satisfactory training; (6) adequate records will be kept by the employer; (7) no currently employed worker will be displaced and no laid-off worker will be prevented from being recalled because of the new program; (8) the program will not be given to veterans already qualified by training for the job for which the training is to be provided; (9) there is a reasonable certainty a position for which the veteran is to be trained will be available at the end of the training period; (10) the training program of the veteran will be set forth in a written agreement signed by the employer and the veteran, which will be provided to the veteran and to the Administrator; and (11) the program meets other criteria established by the Administrator.

Subsection (d) provides that a program of job training may be an apprenticeship program.

Section 9—This section bars approval of the following types of training: (1) Seasonal, intermittent, or temporary jobs—although the Administrator may approve enrollment in a seasonal job where appropriate; (2) employment in an industry where a substantial number of experienced workers are unemployed; (3) jobs where

commissions are the primary source of income; (4) employment which involves political or religious activities; or (5) training outside a State.

Section 10—Subsection (a) provides that the Administrator may not make a payment on behalf of a veteran where the Administrator finds that, according to standards prescribed by the Administrator or the regularly prescribed standards of the employer, the veteran has not made satisfactory progress in his or her training program. Unless the Administrator finds there are mitigating circumstances, progress will not be considered satisfactory unless the veteran is progressing at a rate which will permit the veteran to complete the program within the training period.

Subsection (b) would allow the Administrator to resume payments only if the cause of the failure to complete training has been removed.

Section 11—This section provides that where the Administrator finds that the training program previously approved fails to meet any of the requirements set forth, the program shall be immediately disapproved and the employer shall be notified by a certified or registered letter, return receipt requested.

Section 12—This section provides that the records and accounts of employers shall be available for examination by the Federal Government.

Section 13—Subsection (a) establishes a second program of training available for veterans. In lieu of a job training program with an employer, a veteran may elect to pursue a full-time program of training with a vocational objective or full-time associate degree programs with a vocational objective through an educational institution which has been approved for GI bill training. Educational training must be of at least 6 months duration, and must be in an employment field the Administrator finds (1) there is a reasonable probability that over 50 percent of the persons trained will find employment, and (2) there is a substantial probability of long-term employment.

Subsection (b) provides that the period of training may not exceed that set forth in the job training segment of the act. Payment is to be made monthly to the veteran to reimburse the veteran for the cost of the tuition, fees, books, supplies, and equipment the school requires similarly circumstanced nonveterans enrolled in the same program to pay, and payments may not exceed $500 per month.

Subsection (c) provides that payments may not be made to the veteran until the Administrator has received certifications (1) from the veteran as to his or her actual attendance during the month, and (2) from the school as to the veteran's enrollment in, actual attendance at, and satisfactory progress in the approved training program.

Subsection (d) provides that any overpayment made to the veteran under this training segment, based on an erroneous certification, shall be assessed against the veteran and the school, and shall be collected in the same manner as any other debt due the United States.

Subsection (e) bars payments under this section for (1) flight training; (2) correspondence training; (3) commission-type training;

(4) political or religious training; (5) training outside a State; or (6) training where the veteran is not making satisfactory progress unless there are mitigating circumstances.

Subsection (f) limits funding under this segment of the program to $25 million in any fiscal year.

Section 14—This section bars concurrent benefits under the new job training program and training under (1) the vocational rehabilitation program (chapter 31); (2) the contributory education program for post-Vietnam-era veterans (chapter 32); (3) the GI bill (chapter 34); (4) survivors' and dependents' educational assistance (chapter 35); and (5) the education program of the Department of Defense established under chapter 107 of title 10, United States Code.

Section 15—Subsection (a) requires the Administrator, in consultation and cooperation with the Secretary of Labor, to provide an outreach and public information program to inform eligible veterans and employers of the opportunities under the new program.

Subsection (b)(1) requires the Administrator, after consultation with the Secretary of Labor, to establish procedures for informing employers of the advantages of developing job training opportunities for veterans under this act.

Subsection (b)(2) requires the Administrator to assign personnel in VA regional offices to aid in the development, approval, and monitoring of these programs.

Subsection (c)(1) requires the Secretary of Labor to take steps to provide for participation of eligible veterans under the Job Training Partnership Act and to consult with and solicit the cooperation of the Administrator in this effort.

Subsection (c)(2) directs the Secretary of Labor to make special efforts to advise eligible veterans of the training opportunities under the new act, job opportunities authorized under chapters 41 and 42 of title 38, and similar job benefits offered by other public agencies and organizations.

Subsection (c)(3) directs the Secretary of Labor, acting through disabled veterans outreach program specialists and other resources available to the Secretary, to carry out an intensive outreach program to inform employers of the opportunities and advantages available to them through participation in on-job-training programs for veterans under this act.

Subsection (c)(4) directs that the Secretary of Labor shall maintain close contact with Veterans' Administration regional offices regarding job-training opportunities for veterans that are developed as a result of the efforts of DVOP specialists.

Section 16—This section directs the Administrator and the Secretary of Labor, upon request, to provide employment counseling services to eligible veterans to aid them in selecting a suitable program of job training.

Section 17—This section authorizes the appropriation of $25 million in fiscal year 1983 and $150 million in fiscal years 1984 and 1985 to carry out the new programs.

Section 18--This section provides that a veteran may not apply for a job training program after the end of the 15-month period beginning on the effective date of the act and bars assistance from being paid beyond the end of the 27th month period beginning on the effective date.

Section 19—This section provides that the new act shall take effect on July 1, 1983.

OVERSIGHT FINDINGS

On February 23, 1983, the Subcommittee on Education, Training and Employment conducted an oversight hearing on the employment status of disabled and Vietnam era veterans. Current employment and training programs available to veterans, with emphasis on the VA on-the-job and apprenticeship programs, were reviewed.

At this hearing, it was confirmed that the unemployment rate for Vietnam era veterans was rising, and for some time had been consistently higher than that for nonveterans in the same age group. It was the conclusion of the subcommittee that current employment and training programs for veterans were not adequate, and that there needed to be put in place an emergency job-training program to quickly address this continuing problem of veteran unemployment.

No oversight findings have been submitted to the committee by the Committee on Government Operations.

BUDGET STATEMENT

As required by the Rules of the House, the following letter was received from the Congressional Budget Office concerning the cost of H.R. 2355.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 27, 1983.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 202 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 2355, the Emergency Vietnam Veterans' Training Act of 1983, as introduced in the House of Representatives, March 24, 1983.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 2355.
2. Bill title: Emergency Vietnam Veterans' Training Act of 1983.
3. Bill status: As introduced in the House of Representatives on March 24, 1983.
4. Bill purpose: To establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era. This bill is subject to subsequent appropriations actions.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1983	1984	1985	1986	1987	1988
Authorization level	25	150	150	0	0	0
Outlays	0	138	187	0	0	0

The cost of this bill would fall in function 700.

Basis of estimate: This bill provides funding for training for long-term unemployed veterans of the Vietnam era. It authorizes funding for on-the-job training and for institutional training with a vocational objective for Vietnam era veterans who have been unemployed for 15 of the 20 weeks preceding application to the program. Employers participating in the program will be reimbursed quarterly for half of the wages paid to the trainee. In order to participate, the employers must submit an application to the Administrator of the Veterans' Administration that will detail the training objective to be pursued, the number of hours training to be provided, and the content of the program. The application should also certify that the employer has planned for the employment of the veteran in a position for which he is being trained and that no currently employed worker will be displaced as a result of the training program. The training programs must last for at least 6 months. The Veterans' Administration will reimburse the employers for up to 6 months of training for nondisabled veterans and up to 12 months for veterans with service-connected disabilities rated at least 30 percent disabling.

Included in the authorization level is funding of up to $25 million each year for eligible veterans who want to pursue a full-time program of training with a vocational objective. Maximum reimbursement to the eligible veteran if $500 a month to cover the cost of tuition, books, and supplies. The maximum period of training to be reimbursed is the same as for the on-the-job training authorized by this bill.

The estimated outlays for this bill assume full appropriation of authorization levels. It is expected that there will be no outlays in fiscal year 1983, since employers are reimbursed for costs after 3 months of training. The outlay pattern assumes 75 percent of budget authority is spent in fiscal year 1984. Since applicants must apply for the program by the first month of fiscal year 1985, and no payments may be made to employers in 1986, it is assumed that 100 percent of budget authority is spent in fiscal year 1985.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of State and local governments would not be directly affected by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Kelly Lukins (226–2820).

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

COST

The committee agrees with the cost estimate submitted by the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

The reported bill is an authorization measure. If enacted, and subject to approval of appropriations, the bill will have little if any inflationary impact.

AGENCY REPORT

There follows the views of the Veterans' Administration on the reported bill:

OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., May 11, 1983.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for the views of the Veterans' Administration on H.R. 2355, 98th Congress, a bill cited as the "Emergency Vietnam Veterans' Jobs Training Act of 1983."

The Administration opposes the enactment of H.R. 2355. Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum from the Federal budget for providing jobs for our general population and that measure should be given a chance to work before any further jobs bills are favorably considered.

The measure proposes to establish an emergency program designed to assist eligible veterans in obtaining employment through on-job training in jobs providing significant training opportunities. This goal would be accomplished by providing incentives to employers to hire eligible veterans, with the cost of their training partially defrayed by the Veterans' Administration.

Individuals eligible under the measure would be those veterans who served on active duty for a period of more than 180 days, any part of which was during the Vietnam era, or who are disabled veterans in receipt of compensation, or except for receipt of retirement pay, would be entitled to compensation under chapter 11 of title 38, for a disability incurred or aggravated after August 4, 1964, the beginning date of the Vietnam era. In addition, a veteran must have been unemployed for not less than 15 of the last 20 weeks prior to the time of applying for participation in the program. Under the bill, to be considered unemployed a veteran must be without a job, and must want and be available for work.

The measure provides that the veteran would be required to submit an application to the Administrator of Veterans' Affairs, in such form and containing such information as is determined to be necessary by the Administrator. An application may not be ap-

proved if the Administrator determines that the veteran is already qualified for the job for which the training would be provided.

Disabled veterans with a disability rating of 30 percent or more would be entitled to 12 months of training. Other eligible veterans would be entitled to 6 months of training, plus an additional 6 months if such an extension is determined appropriate by the Administrator in individual cases.

Under this program, training must be provided for a period of not less than 6 months. A veteran may select an approved program of training with any for-profit private employer, which hires the veteran into its regular workforce, with the expectation of permanent employment for the veteran after the training ends.

Payments of monies will be made by the Administrator directly to approved employers who employ eligible veterans under the program. The payments are for the purpose of partially defraying the costs of a veteran's training. The amount of the payments for any period may not exceed 50 percent of the amount of the wages paid the veteran by the employer for that period, and shall be determined without regard to any increase in wage rates above the starting rate. Payments would be made at the end of each 3-month period that a veteran participates in the program. Payments may not be made until the Administrator has received both a certification from the veteran as to his or her actual employment during the period, and a certification from the employer that the veteran was employed and progressing satisfactorily. When a disabled veteran is employed, payments could also be made towards defraying the costs of making structural changes to architectural barriers.

Under the bill, an employer may be paid benefits only if the program is approved. Approval may be granted upon application by the employer to the Administrator. The application shall include a certification that the wages and benefits paid veterans are not less than the wages and benefits normally paid other employees participating in such a program of training; the amount of the assistance paid to the employer does not exceed 50 percent of the normal wages paid to the veteran for the job, based on the starting wage; and there is a reasonable certainty that a position of the type for which the veteran is being trained will be available at the end of the training period.

Before the program may be approved, the Administrator must find that a number of criteria has been met. These include the following findings: (1) the job is one in which progression and appointment to the next higher classification are based on skills learned; (2) the training content is adequate to qualify the veteran for a job in the field; (3) the training period is for not less than 6 months of full-time training; (4) the length of the program is not longer than customarily required; (5) the training place is adequate; (6) adequate records are kept; (7) no currently employed worker will be displaced; (8) the training will not be given veterans already qualified; (9) there is a reasonable certainty of a job for the veteran at the end of training; (10) the training program will be set forth in a written agreement; and (11) the program meets other criteria the Administrator determines are needed. A program of job training may include an apprenticeship program.

H.R. 2355 bars enrollment of a veteran in jobs where commissions are the primary source of income, political or religious activities, training outside the United States, or seasonal, intermittent, or temporary jobs, unless the Administrator determines that enrollment in a seasonal program is appropriate. Approval will also not be granted where a substantial number of workers are already unemployed in the particular industry. If the Administrator determines that the veteran is not making satisfactory progress in a training program due to circumstances within the control of the employer, payments may not be made until the problem is resolved.

The bill would also provide a second source of training for veterans. This would be through full-time pursuit of a program of training with a vocational objective, conducted through an educational institution approved for GI Bill purposes. The program must be of at least 6 months duration. It must also be in an employment field for which the Administrator finds that at least 50 percent of the persons trained will be able to find jobs in the skill for which trained, and there is a substantial probability of long-term employment.

Benefits would be paid to the veteran monthly to reimburse the individual for the cost of his or her tuition, fees, books, supplies, and equipment. Payments may not exceed $500 per month and may not be made until certifications of actual attendance have been received from both the veteran and the school. Any overpayments which may result may be recovered in the same manner as GI Bill overpayments. Benefits may not be paid for flight or correspondence training, commission-type training, political or religious-type training, foreign training, or where the veteran fails to make satisfactory progress. A maximum of $25 million could be obligated in any fiscal year for this type of training. Veterans could not receive benefits under this measure concurrently with benefits under chapters 31, 32, or 34 of title 38, United States Code, or under chapter 107 of title 10, United States Code.

H.R. 2355 provides that the Administrator, in consultation and cooperation with the Secretary of Labor, shall provide necessary outreach and public information programs to inform veterans and employers of these training opportunities. After consultation with the Secretary of Labor, the Administrator shall establish procedures for informing employers of these job training programs, and shall assign personnel to VA regional offices as necessary to facilitate the development, approval, and monitoring of programs under the measure. The Secretary of Labor is also called upon to take steps to provide for participation of eligible veterans in training programs under H.R. 2355 and under the Job Training Partnership Act. The Administrator and Secretary of Labor shall provide employment counseling services, upon request, to eligible veterans.

H.R. 2355 authorizes appropriations of $25 million in fiscal year 1983, and $150 million for each of fiscal years 1984 and 1985. The bill would take effect on July 1, 1983, and would terminate after the end of the 15-month period beginning on the effective date. No benefits may be paid to an employer after 27 months from July 1, 1983.

As was previously stated, the Administration opposes the enactment of this jobs bill. Although Public Law 98-8 did not include a specific set-aside for veterans, we are confident, since veterans comprise a large segment of our population, that they will be aided by the new program.

Under the provisions of section 2012 of title 38, Federal contractors entering into contracts for $10,000 or more with any Federal department or agency are required to take affirmative action to employ disabled and Vietnam era veterans. We contemplate taking a sample to determine the number of veterans who have been employed by Federal contractors to provide maintenance and repair work in our hospitals in conjunction with the VA portion of the new, comprehensive jobs program recently enacted in Public Law 98-8.

We also believe that many of the disabled veterans who would be included in H.R. 2355 could be assisted through our vocational rehabilitation program. We now have authority to directly place in jobs those veterans who have trained not only under our rehabilitation program, but those veterans who have been assisted under the Rehabilitation Act and who are determined to be employable.

Under the authority given us in chapter 31, a major responsibility of the VA under our vocational rehabilitation program is the development of a comprehensive plan known as an Individualized Employment Assistance Plan (IEAP) which identifies specific services and benefits which the veteran may receive during an employment assistance period of up to 18 months. Approximately 4,000 such IEAPs were prepared during fiscal year 1982, and 89 percent of those individuals for which a plan was prepared were confirmed in suitable employment.

We would add that veterans who train under our vocational rehabilitation program also have available to them a variety of services in addition to the job placement aid. These include needed medical services, supplies needed by veterans in obtaining needed licensures, and on-job training during which time veterans receive a subsistence allowance from the VA.

Another point which should be emphasized is that last summer the VA and Department of Labor entered into a comprehensive agreement covering coordination between the two agencies in providing employment assistance not only for our vocational rehabilitation trainees, but for other veterans as well. Under this new comprehensive agreement we work with the State Employment Service Agency, including close coordination with the Disabled Veterans Outreach Program (DVOP).

Current law provides several employment advantages for veterans. For example, chapters 41 and 42 of title 38, United States Code, give veterans priority referral to jobs listed with employment services and require all Government contractors to take affirmative action to employ disabled veterans.

In addition, the Administration already supports several initiatives that will serve veterans in need of retraining and jobs. The Job Training Partnership Act (JTPA) passed last year will provide training and retraining of those experiencing difficulty in the labor market. The JTPA starts a new program of assistance to experienced workers who lose their jobs due to plant closings or techno-

logical change; affected veterans will be eligible for retraining and relocation assistance under this program. JTPA also establishes a set-aside for a Veterans' Employment Program whereby programs will be conducted to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service. Implementation of this program, which becomes effective October 1, 1983, is on schedule.

Other job-finding assistance is available through the provisions of the Targeted Jobs Tax Credit. Employers who hire economically disadvantaged and disabled Vietnam era veterans are eligible for a tax credit of 50 percent of the first $6,000 in wages paid for the first year on the job, and 25 percent of the first $6,000 paid for the second.

These are just some of the examples of the range of services already available to help veterans improve their labor market situation.

For the reasons set forth above, the Administration opposes the enactment of H.R. 2355.

We would also like to provide you with our analysis of some of the problems which we foresee should H.R. 2355 be enacted.

First, the bill provides for participation in the program for a period of 6 months by nondisabled veterans, unless the Administrator determines that up to an additional 6 months should be allowed in individual cases, and for 12 months by those veterans determined to have a service-connected disability rated at 30 percent or more. We would suggest that in some cases nondisabled veterans, as well as disabled veterans, could require a longer period of time. This has been our experience in administering our on-job and apprentice training programs under our GI Bill programs. The Committee may wish to consider allowing up to a maximum of 18 months in exceptional cases where it is determined that this amount of training is required to place the veteran into an employment status where he or she can be assured of permanent, long-term employment.

Second, section 7 of the bill provides for defraying the costs of making structural changes to an employer's workplace to remove architectural barriers where the veteran-trainee is disabled. This section should be clarified to assure that costs of removal of such barriers comes within the one-half wage reimbursement to the employer, if that is what is intended. Otherwise, a ceiling on such costs should be set.

Third, in conjunction with the jobs-skills training authorized through educational institutions by section 13 of the bill, the Committee may wish to consider whether a maximum of 18 months of such training should be allowed in appropriate cases. The same rationale would apply here as is set forth earlier in our recommendations on the job training provisions of the measure. This section also provides for reimbursement to veterans up to $500 per month for their training costs. This exceeds the amount granted veterans under the GI Bill program where the maximum which may be paid for full-time institutional training is $342 per month. This could bring about inequitable results where veterans pursuing the same educational programs under the two different programs are paid

differing rates. This section also provides for assessing overpayments against veterans and schools. However, there are no other provisions in the measure for assessing overpayments under the job training segment of the measure. The Committee may wish to consider providing authority to collect overpayments regardless of where they occur. In addition, this section obligates $25 million for this portion of the program. This could require close monitoring to assure that no funds are obligated beyond the maximum allowed, and, in addition, result in some deserving veterans being denied training where the permitted funding is exhausted.

It is estimated that enactment of H.R. 2355 would result in additional direct benefits cost of $175 million in fiscal year 1984 and in additional direct benefits cost of $150 million in fiscal year 1985, or a total cost for the 2 years of $325 million. In addition, it is also estimated that enactment of the measure would result in additional administrative costs of $5,780,000 in fiscal year 1983, $8,239,000 in fiscal year 1984, and $3,595,000 in fiscal year 1985, or a total added administrative cost over those 3 fiscal years of $17,614,000.

This report has described some of the programs and initiatives the Administration is actively supporting in its efforts to aid the veteran population. In addition, the Administration continues to be committed to enforcing veterans' preference where applicable and other regulations promoting veterans' employment opportunities. For example, the Administration is working with State employment services and the Disabled American Veterans to promote hiring of 30 percent or more disabled veterans. Also, the Office of Personnel Management is launching a new training course for Agency, EEO, and staff officials to promote hiring of veterans—merit staffing and employee relations as they relate to veterans' preference, veterans' readjustment appointments, affirmative action for disabled veterans, and the Veterans' Training Program.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this report to the Congress, and enactment of H.R. 2355 would not be in accord with the program of the President.

Sincerely,

HARRY N. WALTERS,
Administrator.

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